

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

W-03039A
Brooke Water LLC
P. O. Box 82218
Bakersfield CA 93380

RECEIVED

MAY 03 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name): Brooke Water L.L.C.

Mailing Address: P.O. Box 82218
(Street)

Bakersfield CA 93380
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: customerservice@scwater.com or mistiej@brookeutilities.com

Local Office Mailing Address: 9079 Riverside Drive

Parker Arizona 85344
(City) (State) (Zip)

928-667-3336 928-661-2527
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

MANAGEMENT INFORMATION

Management Contact: Robert T. Hardcastle Managing Member
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380
(Street) (City) (State) (Zip)

661-633-7526 800-748-6981
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: rth@brookeutilities.com

On Site Manager: Gary Brown
(Name)

9079 Riverside Drive Parker AZ 85344
(Street) (City) (State) (Zip)

928-667-3336 928-667-2527
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address: garyb@brookeutilities.com

Please mark this box if the above address(es) have changes or are updated since the last filing.

COMPANY NAME: BROOKE WATER LLC

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	232,332	-	232,332
304	Structures and Improvements	6,930	2,807	4,123
307	Wells and Springs			
311	Pumping Equipment	77,172	40,201	36,971
320	Water Treatment Equipment	51,322	19,538	31,784
330	Distribution Reservoirs and Standpipes	121,602	56,096	65,506
331	Transmission and Distribution Mains	589,581	278,510	311,071
333	Services	10,630	1,180	9,450
334	Meters and Meter Installations	72,872	21,021	51,851
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	14,134	4,553	9,581
340	Office Furniture and Equipment	22,196	22,196	-
341	Transportation Equipment	22,563	22,563	-
343	Tools, Shop and Garage Equipment	2,215	410	1,805
344	Laboratory Equipment			
345	Power Operated Equipment	3,799	480	3,319
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,227,348	469,555	757,793

This amount goes on the Balance Sheet Acct. No.108

COMPANY NAME: BROOKE WATER LLC

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	232,332	0.00%	-
304	Structures and Improvements	6,930	4.14%	287
307	Wells and Springs			
311	Pumping Equipment	77,172	3.80%	2,935
320	Water Treatment Equipment	51,322	4.43%	2,273
330	Distribution Reservoirs and Standpipes	121,602	4.35%	5,286
331	Transmission and Distribution Mains	589,581	4.39%	25,910
333	Services	10,630	4.00%	425
334	Meters and Meter Installations	72,872	3.08%	2,243
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	14,134	4.47%	632
340	Office Furniture and Equipment	22,196	0.59%	132
341	Transportation Equipment	22,563	4.54%	1,025
343	Tools, Shop and Garage Equipment	2,215	4.02%	89
344	Laboratory Equipment			
345	Power Operated Equipment	3,799	3.92%	149
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,227,348	3.37%	41,386

This amount goes on Caomparative Statement of Income and Expense Acct. No.403. 

COMPANY NAME: BROOKE WATER LLC

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 9,757	\$ 16,802
134	Working Funds	900	900
135	Temporary Cash Investments		
141	Customer Accounts Receivable	49,892	17,118
146	Notes/Receivables from Associated Company	3,052,994	3,338,101
151	Plant Materials and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	28,180	25,531
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 3,141,723	\$ 3,398,452
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,219,407	\$ 1,227,349
103	Property Held for Future Use		
105	Construction Work in Progress	1,049	1,049
108	Accumulated Depreciation - Utility Plant	(428,169)	(469,555)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 792,286	\$ 758,843
	DEFERRED INCOME TAX DEBITS		
	TOTAL ASSETS	\$ 3,934,010	\$ 4,157,295

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME: BROOKE WATER LLC

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
CURRENT LIABILITIES			
231	Accounts Payable	\$ 6,934	\$ 7,538
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company		
235	Customer Deposits	40,271	41,516
236	Accrued Taxes	24,751	25,692
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 71,956	\$ 74,745
LONG-TERM DEBT (Over 12 Months)			
224	Long-term Notes and Bonds	\$ -	\$ -
Deferred Credits			
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 34,477	\$ 36,692
252	Advances in Aid of Construction	75,832	2,028
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	86,183	159,987
272	Less: Amortization of Contributions	(49,171)	(61,479)
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 147,322	\$ 137,228
	TOTAL LIABILITIES	\$ 219,277	\$ 211,973
CAPITAL ACCOUNTS			
201	Common Stock Issued		
211	Paid In Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props & Partnerships)	3,714,732	3,945,322
	TOTAL CAPITAL	\$ 3,714,732	\$ 3,945,322
	TOTAL LIABILITIES AND CAPITAL	\$ 3,934,010	\$ 4,157,295

COMPANY NAME: BROOKE WATER LLC

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 954,357	\$ 940,532
460	Unmetered Water Revenue		
474	Other Water Revenues	18,627	18,616
	TOTAL REVENUES	\$ 972,984	\$ 959,148
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 214,643	\$ 215,044
610	Purchased Water	3,700	-
615	Purchased Power	34,303	35,267
618	Chemicals	8,138	9,166
620	Repairs & Maintenance	5,523	8,682
621	Office Supplies and Expense	2,058	1,350
630	Outside Services	283,934	211,094
635	Water Testing	9,025	7,686
641	Rents		
650	Transportation Expenses	7,195	7,682
657	Insurance - General Liability		
659	Insurance - Health and Life	17,021	16,036
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	77,840	71,261
403	Depreciation Expense	42,506	41,386
408	Taxes Other Than Income	60,276	59,213
408.11	Property Taxes	39,509	42,996
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 805,673	\$ 726,863
	OPERATING INCOME/(LOSS)	\$ 167,311	\$ 232,285
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		50
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1,421)	(1,745)
	TOTAL OTHER INCOME/EXPENSE	\$ (1,421)	\$ (1,695)
	NET INCOME/(LOSS)	\$ 165,890	\$ 230,590

COMPANY NAME Brooke Water LLC

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$36,692

Meter Deposits Refunded During the Test Year \$6,160

COMPANY NAME: Brooke Water L.L.C.

WATER COMPANY PLANT DESCRIPTION

River Intakes

ADWR ID NUMBER*	PUMP HORSEPOWER	PUMP YIELD (GPM)	CASING DEPTH (FEET)	CASING DIAMETER (INCHES)	METER SIZE (INCHES)	YEAR DRILLED
C150100	10.0 / 7.5	175/165	N/A	N/A	3	N/A
C150060	10.0 / 7.5	175/ 165	N/A	N/A	4	N/A
C150110	7.5 / 5.0	125/ 115	N/A	N/A	2	N/A
C150400	3.0 / 3.0	90/85	N/A	N/A	2	N/A
C150580	5.0 / 5.0	130 / 130	N/A	N/A	3	N/A
C150270	5.0 / 5.0	115/ 110	N/A	N/A	3	N/A

- Arizona Department of Water Resources Identification Number
-

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	6	12	None
2.0	5		
25.0	5		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000 gallons / 15,000 gallons	3 / 3	1,500 gallons	1
17,000 gallons / 30,000 gallons	1 / 1	2,000 gallons	1
50,000 gallons / 100,000 gallons	1 / 3	3,000 gallons	1
125,000 gallons / 300,000 gallons	1 / 1	5,000 gallons & 7,500 gallons	1 and 1

Company Name: Brooke Water L.L.C.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	AC	2,375
2	PVC	2,715
3	AC	4,870
3	PVC	1,720
4	AC	52,125
4	C900	4,225
6	AC	39,139
6	C900	10,569
6	DIP	268
8	C900	8,940
8	AC	495
10	none	
12	none	

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4"	943
3/4	1
1	52
1 1/2	9
2	8
COMP. 3	0
TURBO 3	1
COMP. 4	0
TURBO 4	0
COMP. 6	0
TURBO 6	0
Total	1,014

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

12- Gulf pressure sand filters

7- Wallace & Turnan V-100 Chlorinators

7- Calgon-type MDS polymer make-down systems with 30 gallon mix tank

STRUCTURES:

OTHER:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004
PWS Number 15-006

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	519	1,743	2,501
February	525	1,706	2,324
March	523	1,650	2,795
April	525	2,795	3,018
May	529	2,883	3,758
June	531	3,638	3,759
July	531	3,048	4,037
August	539	3,153	4,223
September	535	3,007	3,378
October	537	2,235	2,895
November	535	1,751	2,410
December	539	1,807	2,115
Total		29,416	37,213

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system 0.0035 mg/L
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004
PWS Number 15-010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	830	2,205	2,550
February	831	2,137	2,486
March	836	1,981	2,930
April	833	3,223	3,024
May	827	3,441	3,741
June	836	3,992	3,904
July	844	2,439	4,236
August	846	3,574	4,202
September	843	2,689	3,522
October	834	2,823	2,991
November	838	2,047	2,403
December	834	2,002	2,292
Total		32,553	38,281

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system 0.0034 mg/L
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004
PWS Number 15-011

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	222	1,228	1,290
February	223	1,259	1,084
March	225	721	1,115
April	224	1,461	1,289
May	223	1,190	1,364
June	223	1,632	1,416
July	223	1,308	1,478
August	224	1,070	1,462
September	222	1,371	1,297
October	222	941	1,146
November	222	818	931
December	223	811	931
Total		13,810	14,803

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system 0.0035 mg/L
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Brooke Water L.L.C. Parker Dam

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004
PWS Number 15-027

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	187	676	863
February	188	672	883
March	189	684	1,133
April	186	1,211	1,260
May	188	1,261	1,589
June	188	1,568	1,626
July	189	1,706	1,808
August	187	1,358	1,770
September	188	1,251	1,527
October	187	1,090	1,264
November	186	851	1,000
December	187	748	813
Total		13,076	15,536

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system 0.0035 mg/L
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Brooke Water L.L.C. Rio Lindo

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004
PWS Number 15-040

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	27	118	144
February	27	111	142
March	28	125	171
April	28	185	178
May	29	183	262
June	29	331	279
July	29	275	336
August	29	240	322
September	29	288	299
October	29	197	155
November	29	111	150
December	29	140	153
Total		2,304	2,591

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system 0.0036 mg/L
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004
PWS Number 15-058

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	222	1,594	2,362
February	222	1,539	2,280
March	223	1,539	2,593
April	223	2,204	2,313
May	222	2,015	2,505
June	223	2,257	2,650
July	223	2,001	2,805
August	222	2,013	2,885
September	224	1,913	2,699
October	224	1,844	2,468
November	223	1,404	2,005
December	223	1,184	2,172
Total		21,507	29,737

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system 0.0033 mg/L
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Brooke Water LLC

YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 41,252.64

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

911-32-702/701/703

06880

Brooke Water, L.L.C.
P.O. Box 82218
Bakersfield, CA 93380-2218

BANK OF AMERICA
1440 TRUXTUN AVENUE
BAKERSFIELD, CA 93301

CHECK NO.

16-66
1220

***** Twenty-One Thousand Four Hundred Ninety-Seven and 95/100 *****

DATE	AMOUNT
Oct 6 04	\$21,497.95

PAY
TO THE
ORDER
OF

LAPAZ COUNTY TREASURER
1112 JOSHUA STREET #203
PARKER, AZ. 85344

⑈006880⑈ ⑆122000661⑆ 14764⑈01495⑈ ⑆0002149795⑆

10/14/04 LA, CA
122006661
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OCT 13 04

BANK OF AMERICA, N.A. TPE
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11/13/04

3550989870

0021 8-7 9 4 0

DO NOT WRITE IN THESE SPACES

COMPANY NAME Brooke Water LLC

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 214,749
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 218,438
Estimated or Actual State Tax Liability 0

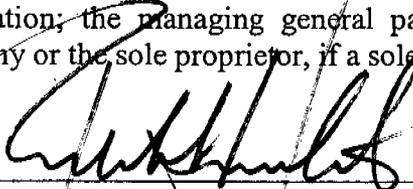
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

Robert T. Hardcastle

PRINTED NAME

4-29-05

DATE

Managing Member

TITLE

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED

MAY 13 2005

VERIFICATION

STATE OF California

COUNTY OF (COUNTY NAME)	<u>Kern</u>	Arizona Corporation Commission Director Of Utilities
NAME (OWNER OR OFFICIAL) TITLE	<u>Robert T. Hardcastle</u>	
COMPANY NAME	<u>Brooke Water L.L.C.</u>	

I, THE UNDERSIGNED
OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

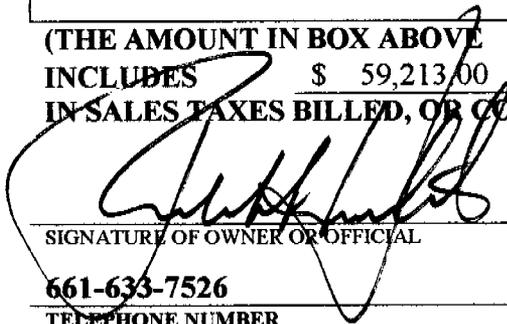
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE, 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ 959,148

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 59,213.00 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL.)



SIGNATURE OF OWNER OR OFFICIAL

661-633-7526
TELEPHONE NUMBER

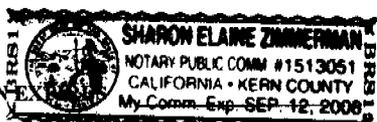
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

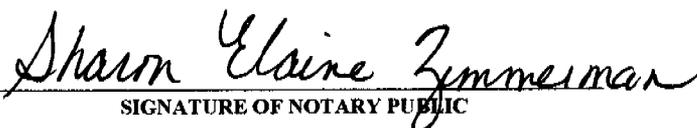
COUNTY NAME	<u>Kern</u>	
MONTH	<u>April</u>	<u>2005</u>

THIS 29th DAY OF

(SEAL)



MY COMMISSION



SIGNATURE OF NOTARY PUBLIC

9-12-08

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

BROOKE WATER L.L.C. 2004
BALANCE SHEET
DEC 31 04

Unaudited

ASSETS

	2004 -----	2003 -----
WATER UTILITY PLANT:		
Utility Plant in Service	7,942.62	16,342.04
Utility Plant in Service	1,219,406.74	1,203,064.70
Marino Village PipelineProject	1,048.68	1,048.68
Less: Accum Depreciation & Amortization	(469,555.00)	(428,169.00)
WATER UTILITY PLANT, NET	758,843.04	792,286.42
OTHER UTILITY ASSETS:		
TOTAL OTHER UTILITY ASSETS	0.00	0.00
CURRENT & ACCRUED ASSETS:		
Cash	16,802.47	9,756.85
Working Funds	900.00	900.00
Customer Accounts Receivable	17,117.64	49,892.38
Unclaimed Monies	(912.42)	(912.42)
A/R From Assoc Company	3,338,100.84	3,052,994.22
Inventory Clearing	26,442.97	29,092.12
TOTAL CURRENT & ACCRUED ASSETS	3,398,451.50	3,141,723.15
DEFERRED DEBITS:		
TOTAL DEFERRED DEBITS	0.00	0.00
TOTAL ASSETS	4,157,294.54 =====	3,934,009.57 =====

BROOKE WATER L.L.C. 2004
 DEC 31 04
 LIABILITIES AND SHAREHOLDERS EQUITY

	2004	2003
	-----	-----
EQUITY CAPITAL:		
Retained Earnings	0.00	165,889.71
Income from Utility Operations	230,589.64	0.00
Members Capital	3,714,732.25	3,548,842.54
	-----	-----
TOTAL EQUITY IN PARTNERSHIP	3,945,321.89	3,714,732.25
CURRENT ACCRUED LIABILITIES:		
Accounts Payable	7,537.83	6,934.12
Customer Deposits	41,515.50	40,270.50
Other Miscellaneous Accruals	25,691.63	24,751.18
	-----	-----
TOTAL CURRENT ACCRUED LIABILITIES	74,744.96	71,955.80
LONG TERM DEBT:		
	-----	-----
TOTAL LONG TERM DEBT	0.00	0.00
DEFERRED CREDITS:		
Advances for Construction	2,028.00	75,831.57
Refundable Meter Advances	36,692.14	34,477.39
	-----	-----
TOTAL DEFERRED CREDITS	38,720.14	110,308.96
CONTRIBUTIONS:		
Contri. In Aid of Construction	159,986.96	86,183.39
Accum. Amortiz. Contri. in Ai	(61,479.41)	(49,170.83)
	-----	-----
TOTAL CONTRIBUTIONS	98,507.55	37,012.56
	-----	-----
TOTAL LIABILITIES & EQUITY	4,157,294.54	3,934,009.57
	=====	=====

BROOKE WATER L.L.C. 2004
 UNAUDITED STATEMENT OF INCOME
 12 PERIODS ENDED DEC 31 04
 Consolidated Departments

	LAST YEAR -----	LAST YTD -----	YTD -----	DEC -----	NOV -----	OCT -----	SEP -----
OPERATING REVENUE:							
Metered Sales - resi	790,717.58	790,717.58	778,717.21	56,720.79	56,950.50	63,572.55	70,432.49
Metered Sales - comm	163,639.04	163,639.04	161,814.79	9,890.09	10,486.02	13,699.49	15,340.86
Establishment Charge	11,703.77	11,703.77	10,694.58	1,085.00	465.00	1,430.00	750.00
Late Fees	3,913.31	3,913.31	4,551.70	534.59	409.28	422.68	431.88
Rents From Water Pro	3,010.00	3,010.00	3,370.00	250.00	110.00	220.00	110.00
TOTAL OPERATING R	972,983.70	972,983.70	959,148.28	68,480.47	68,420.80	79,344.72	87,065.23
OPERATING EXPENSES:							
SOURCE OF SUPPLY:							
OPERATIONS:							
Salaries & Wages-	368.98	368.98	408.27	0.00	0.00	0.00	0.00
Purchased waters	3,700.00	3,700.00	0.00	0.00	0.00	0.00	0.00
Purchased power	34,302.95	34,302.95	35,266.76	2,451.49	2,615.75	3,118.08	3,478.69
Materials & Suppl	0.00	0.00	279.17	0.00	0.00	0.00	0.00
SUBTOTAL	38,371.93	38,371.93	35,954.20	2,451.49	2,615.75	3,118.08	3,478.69
MAINTENANCE:							
Salaries & Wages-	4,683.88	4,683.88	2,929.37	231.64	354.70	554.11	0.00
Materials & suppl	1,000.84	1,000.84	733.68	0.00	18.47	368.98	3.92
SUBTOTAL	5,684.72	5,684.72	3,663.05	231.64	373.17	923.09	3.92
TOTAL SOURCE O	44,056.65	44,056.65	39,617.25	2,683.13	2,988.92	4,041.17	3,482.61
WATER TREATMENT:							
OPERATIONS:							
Salaries & Wages-	14,699.83	14,699.83	13,680.15	911.39	827.00	1,005.26	1,364.65
Chemicals	8,132.37	8,132.37	9,166.06	1,391.46	402.68	402.68	1,613.70
Materials & Suppl	1,281.34	1,281.34	651.24	292.73	0.00	0.00	288.11
Regulatory Water	6,099.62	6,099.62	7,686.12	0.00	270.23	6,041.58	494.00
SUBTOTAL	30,213.16	30,213.16	31,183.57	2,595.58	1,499.91	7,449.52	3,760.46

BROOKE WATER L.L.C. 2004
 UNAUDITED STATEMENT OF INCOME
 12 PERIODS ENDED DEC 31 04
 Consolidated Departments

	LAST YEAR -----	LAST YTD -----	YTD -----	DEC -----	NOV -----	OCT -----	SEP -----
(continued)							
MAINTENANCE:							
Sal. & Wages-empl	2,073.12	2,073.12	1,226.50	29.93	0.00	103.49	0.00
Materials & suppl	1,008.69	1,008.69	475.45	0.00	0.00	0.00	0.00
Regulatory Water	2,925.57	2,925.57	0.00	0.00	0.00	0.00	0.00
SUBTOTAL	6,007.38	6,007.38	1,701.95	29.93	0.00	103.49	0.00
TOTAL WATER TR	36,220.54	36,220.54	32,885.52	2,625.51	1,499.91	7,553.01	3,760.46
TRANSMISSION & DISTRIBUTION:							
OPERATIONS:							
Salaries & Wages-	40,602.16	40,602.16	45,151.81	3,575.62	3,140.27	4,517.04	4,147.06
Materials & suppl	0.00	0.00	502.64	0.00	0.00	0.00	0.00
Storage Tanks	0.00	0.00	79.69	0.00	0.00	79.69	0.00
Contractual servi	0.00	0.00	3,058.80	0.00	0.00	0.00	0.00
SUBTOTAL	40,602.16	40,602.16	48,792.94	3,575.62	3,140.27	4,596.73	4,147.06
MAINTENANCE:							
Sal. & Wages - em	33,787.48	33,787.48	28,207.57	3,313.48	2,808.30	3,049.67	2,195.23
Materials & suppl	11,199.02	11,199.02	8,999.18	2,049.99	1,539.10	635.64	1,097.08
Contractual servi	75.00	75.00	0.00	0.00	0.00	0.00	0.00
SUBTOTAL	45,061.50	45,061.50	37,206.75	5,363.47	4,347.40	3,685.31	3,292.31
TOTAL TRANSMIS	85,663.66	85,663.66	85,999.69	8,939.09	7,487.67	8,282.04	7,439.37
CUSTOMER ACCOUNTS:							
OPERATIONS :							
Sal. & Wages - em	16,433.36	16,433.36	16,720.68	959.43	1,351.33	2,826.49	729.86
Contractual serv.	12.86	12.86	0.00	0.00	0.00	0.00	0.00
Contractual serv.	333.30	333.30	0.00	0.00	0.00	0.00	0.00
Transportation ex	7,194.84	7,194.84	7,588.57	636.61	621.11	551.32	720.67
Misc. expenses	2,340.45	2,340.45	0.00	0.00	0.00	0.00	0.00
Repair & Maintena	3,768.30	3,768.30	8,290.13	627.63	262.07	405.68	44.27
TOTAL CUSTOMER	30,083.11	30,083.11	32,599.38	2,223.67	2,234.51	3,783.49	1,494.80

	LAST YEAR	LAST YTD	YTD	DEC	NOV	OCT	SEP
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(continued)							
ADMINISTRATIVE & GENERAL:							
OPERATIONS:							
Sal. & Wages- emp	86,542.95	86,542.95	99,131.61	21,036.27	6,361.29	7,922.73	6,325.09
Employee pensions	7,044.41	7,044.41	0.00	0.00	0.00	0.00	0.00
Chemicals	6.07	6.07	0.00	0.00	0.00	0.00	0.00
Materials & suppl	291.60	291.60	35.70	0.00	0.00	0.00	14.03
Contract Serv.-Ac	48,046.37	48,046.37	52,699.21	4,713.32	4,610.84	4,676.05	4,713.10
Contractual serv.	0.00	0.00	3,920.00	0.00	0.00	0.00	0.00
Bank Analysis Fee	515.23	515.23	330.99	0.51	(388.95)	403.91	29.39
Contractual serv.	400.00	400.00	210.00	0.00	0.00	0.00	0.00
Contractual serv.	230,000.00	230,000.00	145,000.00	145,000.00	0.00	0.00	0.00
Contractual serv.	5,066.70	5,066.70	6,206.36	751.40	474.40	336.40	524.40
Overhead allocati	54,917.59	54,917.59	56,662.61	4,555.61	5,211.69	4,972.88	4,311.61
Transportation ex	0.00	0.00	93.68	0.00	0.00	0.00	0.00
Meals & Entertain	175.92	175.92	316.17	44.40	0.00	0.00	0.00
Lodging	198.64	198.64	0.00	0.00	0.00	0.00	0.00
Ins. - wrkmn's co	2,703.59	2,703.59	2,605.89	387.58	164.81	306.43	177.94
Ins. -medical/den	14,317.60	14,317.60	13,430.13	1,066.60	1,066.60	1,145.86	1,166.69
Communications	1,662.11	1,662.11	1,796.60	45.00	300.11	121.63	78.37
Telephone	3,105.24	3,105.24	5,198.28	463.45	362.93	369.46	364.35
Dues & Subscripti	443.28	443.28	421.30	0.00	0.00	0.00	0.00
Bad Debt Expense	5,991.53	5,991.53	4,152.12	437.19	0.00	511.18	886.46
Write Offs	208.62	208.62	(21.31)	0.00	0.00	0.00	0.00
Computer Supplies	202.77	202.77	382.85	89.48	0.00	0.00	0.00
Office Supplies	1,855.59	1,855.59	967.01	144.88	0.00	146.32	0.00
Postage	44.56	44.56	162.23	30.19	0.00	0.00	0.00
Employee Educatio	35.00	35.00	0.00	0.00	0.00	0.00	0.00
Licenses & Permit	673.66	673.66	161.80	76.80	0.00	0.00	0.00
Repairs & Mainten	1,293.21	1,293.21	391.49	171.19	0.00	71.88	0.00
Repairs & Maint -	461.52	461.52	0.00	0.00	0.00	0.00	0.00
State Sales Tax	60,276.13	60,276.13	59,213.11	4,193.68	4,225.08	4,866.54	5,379.59
Utility regulator	1,365.15	1,365.15	2,632.04	0.00	0.00	0.00	0.00
Property taxes	39,509.38	39,509.38	42,995.90	6,197.87	3,582.99	3,582.99	3,292.45
TOTAL ADMINIST	567,354.42	567,354.42	499,095.77	189,405.42	25,971.79	29,434.26	27,263.47
SERVICE ORDERS:							
OPERATIONS:							
Sal. & Wages - em	8,407.21	8,407.21	7,588.28	65.18	659.03	1,081.56	52.69
TOTAL SERVICE	8,407.21	8,407.21	7,588.28	65.18	659.03	1,081.56	52.69

BROOKE WATER L.L.C. 2004
 UNAUDITED STATEMENT OF INCOME
 12 PERIODS ENDED DEC 31 04
 Consolidated Departments

	LAST YEAR -----	LAST YTD -----	YTD -----	DEC -----	NOV -----	OCT -----	SEP -----
(continued)							
TOTAL OPERATIONS	715,031.99	715,031.99	655,214.14	200,316.96	36,121.26	49,463.64	40,197.17
TOTAL MAINTENANCE	56,753.60	56,753.60	42,571.75	5,625.04	4,720.57	4,711.89	3,296.23
TOTAL OPERATIONS & M	771,785.59	771,785.59	697,785.89	205,942.00	40,841.83	54,175.53	43,493.40
PROVISION FOR DEPREC	33,887.60	33,887.60	29,077.42	2,212.77	2,106.77	2,106.77	2,106.77
INCOME (LOSS) FROM OPE	167,310.51	167,310.51	232,284.97	(139,674.30)	25,472.20	23,062.42	41,465.06
OTHER INCOME <EXPENSE>:							
Nonutility Income	0.00	0.00	50.00	0.00	0.00	50.00	0.00
Interest	(1,420.80)	(1,420.80)	(1,745.33)	(116.01)	(309.00)	(207.71)	(199.08)
TOTAL OTHER INCOME <	(1,420.80)	(1,420.80)	(1,695.33)	(116.01)	(309.00)	(157.71)	(199.08)
NET INCOME (LOSS)	165,889.71	165,889.71	230,589.64	(139,790.31)	25,163.20	22,904.71	41,265.98